



## *SOS RISK*

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### **Private School Operations**

#### ***Risky Business***

The functions of a school business manager can be overwhelming in an educational environment. Business managers in private school administration settings are called upon to handle “everything but curriculum”. From fielding a burglar alarm call from the monitoring company at midnight to ensuring that the building elevators are working & licensed properly with the State, this can be a challenging task while operating large complex financial transactions and budgets. Federal and State regulations that impact school facility and public building operations in the State of Texas are continually evolving, and the responsibility placed on school administrators coupled with the large amount of misinformation that exists can place a school in a precarious situation financially and politically.

We are going to discuss and present topics that have to deal with the daily risk management functions within a private school setting. “Risk Management” as an overall job function or purpose has many different connotations. Some school risk managers simply handle the insurance & economic functions of financing risk, while other risk managers handle the loss control, inspections & safety issues with training “the cultural or people controls”. Perhaps your risk management role is to ensure building code & facilities compliance with such regulations as the local fire code or Americans with Disabilities Act (ADA). The bottom line is, that depending upon the risks (both identified and unknown) that your school system faces, Risk Management programs within your school may be structured completely different than a peer school.

*What about Risk? We have insurance to handle that...*

In the school business sense, a risk is any unforeseeable event or catalyst that threatens a school's ability to accomplish its mission which is "educating students". Regardless of the size of your school facility or the number of students you have, all schools face certain risks.

Generally, school district assets & liabilities fall into the following categories:

*People* - students, board members, volunteers, employees, parents, contractors, and the general public.

*Property* - buildings, facilities, equipment, vehicles, intellectual property & data

*Income* - tuition, donations and contributions, fees, dues

*Political Stature* - reputation, stature in the community, mission statement

There are many known and unknown risk management issues that school administrators in both public and private environments face on a daily basis. Schools in the State of Texas, are impacted by regulations that many neighboring states do not face. For example, the Texas Structural Pest Control Board, as of 1995 regulates the application of pesticides and herbicides in and around school district property. Any person who applies a pesticide (which includes the teacher's can of bug spray from the grocery store) in a school environment without a state license and does not follow Integrated Pest Management (IPM) Tactics is subject to administrative and/or criminal penalties. Because of political & parental pressure the concept of Integrated Pest Management has been widely adopted throughout public and private schools, thus reducing the exposures of pesticides & herbicides to school children.

*Asbestos...That was a problem that we took care of in the 1970's when it was banned, right?*

The State of Texas is also unique in the regulation of Asbestos Containing Building Materials (ACBM). The Federal Asbestos Hazard Emergency Response Act (AHERA) signed into law in 1988 requires that Local Education Agencies (LEAs or Schools) throughout the United States identify and manage the ACBM that exists in their facilities. The state of Texas later adopted in

1992 the Texas Asbestos Health Protection Act (TAHPA) that has been revised several times over the past few years to include more stringent asbestos worker protection guidelines, abatement standards and property owner responsibilities, the scope of which applies to our public buildings. The State of Texas now requires among other things that all buildings regardless of age of construction, undergo sampling by, *you guessed it*, a Texas Department of State Health Services (Formerly Texas Department of Health) *Licensed* Asbestos Inspector, Consultant or Management Planner. So now as a school business manager and facility planner I now need to take into account asbestos compliance when we decide to renovate that wall, or add a data drop in one of our classrooms?

*So what are some of the most important risk management topics in private school environments?*

We will start looking at our private school risk management programs & needs from a multi-discipline perspective. In the coming newsletters we will be reviewing in detail top risk management issues that private schools face from both Federal Regulations and the State of Texas. Topics such as:

- 1) Playground Operations & Maintenance
- 2) Asbestos Management
- 3) Americans With Disabilities Act (ADA) Compliance / Reasonable Accommodation
- 4) Indoor Air Quality (IAQ)
- 5) Integrated Pest Management
- 6) Student Transportation / Transportation Fleet Issues
- 7) Technology Related Issues, Network Security, Hardware, Protecting Sensitive Data
- 8) Student Safety & Security
- 9) Property Operations & Maintenance / Fire Life/Safety Systems, Gas Line Testing
- 10) Hazard Communication (HAZCOM) (Science Labs, Chemicals in the workplace, etc)

The topics above contain the liability potential that if not handled properly can significantly impact your school district's operations, and existence! Risk Management issues can impact not only the bottom line financial conditions of your schools budget, but more importantly the overall health, safety & welfare of your students & employees are at stake. The financial woes of repairing a bus chassis problem that costs a school thousands, pale in comparison to the impact

that a bus accident would have on your school. Mitigating, prioritizing, and educating students & staff in a systematic methodology to your school districts risk management program and mission will lead to more educated, fiscally responsible and effective response actions. For example, many, if not most schools, are currently utilizing third party companies to analyze their building operations & condition for budgetary purposes. The Risk Manager mindset will help us see a different picture when reviewing the Heating Ventilation & Air Conditioning (HVAC) equipment life study that the business office ordered. This HVAC study also gave you Indoor Air Quality (IAQ) data such as fresh air levels, ventilation and coil sanitation (think mold & bacteria). We can now combine these studies and data that you have already paid for, apply the data to response actions and our private school now has applied Risk Management principles!

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